

Jacobs Press Release

FOR IMMEDIATE RELEASE
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SEN. GILDA JACOBS SEEKS TO PROTECT SENIORS AND DISABLED FROM “POP UP” PROPERTY TAXES

LANSING – Sen. Gilda Jacobs (D-Huntington Woods) today introduced legislation that will protect senior citizens and people with disabilities from substantial property tax increases that occur when homeowners sell a home with a property tax cap and purchase a new home. The legislation would retain the current property tax cap for the new purchasers. The protection would only apply to houses purchased in the same city, village or township as the original residence.

The tax increases, commonly called “pop-up” taxes, are a result of restrictions on property taxes mandated by passage of Proposal A in 1994. Under Proposal A, taxes are capped at the existing rate of inflation for the current property owner. However, often the house increases in value above the rate of inflation. When the house is sold, the new owner is taxed at the uncapped rate.

The legislation is intended to reduce the financial burden on people with fixed or limited incomes who would prefer to remain in their own communities, but who cannot afford the increased tax burden a local move would impose.

“These so called ‘pop-up’ taxes are a huge financial obstacle to folks wanting to down-size or find more barrier-free residences but who want to ‘age in place’ by remaining in their local communities,” Jacobs said. “Consider someone who is recovering from a stroke and can no longer navigate stairs in their two-story home. Without some protection, aging baby boomers will find themselves trapped in overly large homes or homes that don’t meet their physical needs but that they cannot afford to leave.”

Sen. Jacobs also plans to add language that will make veterans eligible for similar property tax protection.

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